

Message Text

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C O N F I D E N T I A L STATE 156102

FOLLOWING REPEAT LIMA 5825 SENT SECSTATE DATED JUL 17.

QUOTE

C O N F I D E N T I A L LIMA 5825

EO 11652 N/A

TAGS: SNAR, PE

SUBJ: NARCOTICS CONTROL REPORT FOR PERIOD ENDING

JULY 15, 1974

REF: STATE A-4700

1. INFORMATION FOR CONGRESSIONAL REQUIREMENTS -

A. PROJECT AGREEMENT ONE (527-11-995-942) WAS SIGNED BY THE
MINISTRY OF FOREIGN RELATIONS AND THE USAID DIRECTOR EFFECTIVE
MAY 31, 1974.

B. THE AGREEMENT PROVIDES \$235,208 OF WHICH \$215,000 IS FOR
COMMUNICATION EQUIPMENT, PRIMARILY TO BE USED BY THE PERUVIAN
INVESTIGATION POLICE (LIP). EQUIPMENT TO BE ACQUIRED WILL IM-
PROVE THE NATIONAL, URBAN AND METROPOLITAN LIMA PIP COMMUNICATIONS
NETWORKS. THE REMAINING \$20,000 IS FOR (1) A SHORT-TERM EXPERT
TO ASSIST IN INSTALLATION OF EQUIPMENT (\$13,000) AND (2) \$7,000
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PROVIDES LIMITED OPERATIONAL COSTS FOR INVESTIGATIVE WORK. ALL
PROAG FUNDS ARE RELATED TO ENFORCEMENT.

C. THE TYPES AND QUANTITIES OF EQUIPMENT PROVIDED UNDER THE

PROAG ARE CONTAINED IN THE JULY-AUGUST 1972 TELECOMMUNICATIONS SURVEY MADE BY THE OFFICE OF PUBLIC SAFETY, AID/W. THE FUNDS ALLOCATED TO EACH NETWORK ARE AS FOLLOWS:

NATIONAL	\$138,000
METROPOLITAN	35,000
URBAN	14,000
	\$187,000

AN ADDITIONAL \$18,000 IS PROVIDED FOR THE ACQUISITION OF TWO CAMERAS AND 20 HANDITALKIES FOR THE PIP, AND \$10,000 TO FINANCE THE PURCHASE OF TWO AUDIO-VISUAL EQUIPMENT UNITS, INCLUDING PROJECTORS AND SLIDE MACHINES FOR THE CIVIL GUARD (G.C.).

D. THE AGREEMENT PROVIDES \$7,000 FOR COSTS IN SUPPORT OF INVESTIGATIONS (GASOLINE, PER DIEM, ETC.) CONDUCTED BY PIP PERSONNEL. THESE FUNDS WILL BE DISTRIBUTED AT THE RATE OF \$1,000 PER MONTH DURING THE PERIOD JULY 1974 - JANUARY 1975. IN ADDITION, OUTSIDE THE AGREEMENT, \$12,000 FOR SIMILAR SUPPORT ACTIVITY, WITH A DRAWDOWN OF \$1,000 PER MONTH, WAS PROVIDED DURING FY-1974. OF THIS AMOUNT \$6,000 WAS PROVIDED DURING THE PERIOD JANUARY - JUNE 1974. THESE FUNDS ARE HANDLED DIRECTLY BY THE DEA REPRESENTATIVE.

E. DURING THE PERIOD JANUARY - JUNE 1974, EIGHT PARTICIPANTS RECEIVED U.S. TRAINING. ALL COSTS INCLUDING INTERNATIONAL TRAVEL WERE PAID BY AID/W. THE GOVERNMENT OF PERU PAID THE SALARIES OF THE PARTICIPANTS DURING THEIR TRAINING PERIODS, ESTIMATED TO AMOUNT TO \$5,500.

2. STATUS REPORTS ON NCAP'S - NOT APPLICABLE THIS REPORT.

3. AD HOC AND OTHER REPORTING

A. ABUSE - THERE HAVE BEEN NO NOTICEABLE CHANGES IN ABUSE PATTERNS FOR THE PERIOD ENDING JUNE 1974. COCAINE AND MARIHUANA CONTINUE TO BE WIDELY TRAFFICKED AND DOMINATE THE ILLICIT MARKET. TO DATE THERE DOES NT APPEAR TO BE AN ABUSE PROBLEM RELATIVE TO STIMULANTS AND DEPRESSANTS. HOWEVER, THESE CAN BE EASILY PURCHASED WITHOUT CONFIDENTIAL

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PRESCRIPTION IN OVER-THE-COUNTER DRUG STORE PURCHASES.

B. PRODUCTION AND PROCESSING: IT IS ESTIMATED THAT PERU PRODUCES 20,000,000 KILOGRAMS OF COCA LEAVES ANNUALLY. A STUDY BY THE PERUVIAN MINISTRY OF AGRICULTURE IN 1971 ESTIMATED THAT ONLY 14,350,000 KILOGRAMS OF LEAVES WERE PRODUCED ANNUALLY. WE BELIEVE THAT CENSUS SUBSTANTIALLY UNDERESTIMATED THE AMOUNT OF PRODUCTION SINCE RESPONDENTS IN THE AGRARIAN CENSUS WIDELY SUSPECTED THE CENSUS WOULD BE USED TO JUSTIFY AN INCREASE IN GOVERNMENTAL TAXES ON YIELDS. WOEFULLY INACCURATE WAS THE CENSUS OF THE NATIONAL COCA INSTITUTE, A SMALL OFFICE WITHIN THE MINISTRY OF INTERIOR. THAT OFFICE, SPECIFICALLY IN CHARGE OF LICENSING MATTERS AND TAX LEVIES, ESTIMATED THAT PERU PRODUCES ONLY 9,000,000 KILOGRAMS

OF COCA LEAVES ANNUALLY. SINCE THERE HAS BEEN EXTENSIVE PUBLIC SPECULATION AS TO BOTH THE EFFECTIVENESS AND THE DEDICATION OF THE MANAGERS WITHIN THE COCA INSTITUTE, THEIR ESTIMATE SHOULD NOT BE TAKEN SERIOUSLY. IT IS ESTIMATED THAT OF A MODEST ANNUAL CROP YIELD OF 15,000,000 KILOGRAMS OF COCA LEAVES, THE INDIANS CHEW NO MORE THAN 5,000,000 KILOS PER YEAR. LEGITIMATE INDUSTRIAL USE THE EXPORTATION COULD ACCOUNT FOR AN ADDITIONAL 2,000,000 KILOS. THE TRAFFICERS COULD THEN COUNT ON A CONSERVATIVE FIGURE OF SOME 7,000,000 TO 8,000,000 KILOGRAMS OF LEAVES ANNUALLY FOR THEIR ILLICIT PURPOSES. APPROXIMATELY 1,000 KILOS OF COCA LEAVES AT AVERAGE STRENGTH WILL PRODUCE 10 KILOS OF COCA PASTE OR 4 KILOS OF COCAINE HYDROCHLORIDE. THE MOST RECENT 1971 AGRARIAN CENSUS ESTIMATED THAT 17,681 HECTARES OF LAND WAS ENGAGED IN COCA PRODUCTION. THERE HAS BEEN NO SUBSEQUENT CENSUS AND THE 1971 ESTIMATE HAS BEEN LARGELY UNCHALLENGED.

THERE IS NO SINGLE COCA GROWN IN PERU. SOME 26 VARIETIES HAVE BEEN IDENTIFIED AND AT LEAST SIX ARE WIDELY CULTIVATED IN DIFFERENT PARTS OF THE COUNTRY. THE DIFFERENCES IN THE COCAINE (ALKALOID) CONTENT OF THE COCA VARIETIES RANGE FROM A RELATIVELY WEAK 0.66 PERCENT TO A RICH 1.19 PERCENT IN THE CUZCO AREA. THERE HAVE BEEN REPORTS OF MUCH RICHER VARIETIES IN THE JUNIN AREA. THERE HAS BEEN MODEST INTEREST WITHIN THE MINISTRY OF AGRICULTURE IN A CROP SUBSTITUTION PROGRAM USING THE BARBASCO OR CUBE PLANT TO PRODUCE ROTENONE, A NON-TOXIC INSECTICIDE. THE PLANT WILL GROW IN THE SAME SOIL AND SUN CONDITIONS AS COCA AND THERE IS A GROWING WORLD-WIDE DEMAND FOR ROTENONE DUE TO CURRENT ENVIRONMENTAL LIMITATIONS ON THE USE OF DDT. THERE IS A ROTENONE PRO-
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DUCING PLANT AT CHICLAYO BUT ITS PRODUCTION HAS BEEN HAMPERED BY A LACK OF BARBASCO PRODUCTION. OPIUM PRODUCTION IN PERU DOES NOT AMOUNT TO MUCH NOR CAN IT COMPARE IN QUALITY AND QUANTITY TO THAT GROWN IN EUROPE, ASIA, OR MEXICO. SMALL AMOUNTS OF OPIUM ARE GROWN IN THE DEPARTMENT OF LORETO, BUT EVIDENCE INDICATES THAT IT IS USED PRIMARILY BY THE NATIVES FOR MEDICINAL PURPOSES AND DOES NOT LEND ITSELF TO EXPLOITATION BY DRUG TRAFFICKERS.

C. TRAFFICKING TRENDS: PERU CONTINUES TO BE SOURCE COUNTRY FOR COCAINE, SUPPLYING CHILEAN, ECUADOREAN AND COLOMBIAN CLANDESTINE LABORATORIES WITH COCA LEAVES AND COCAINE PASTE. THE COCAINE TRAFFIC IN LMA IS CHARACTERIZED AS A PERSISTENT TRAFFIC IN QUANTITIES FROM ONE TO FIVE KILOGRAMS. SINCE MOST COCAINE LABS CANNOT PRODUCE MORE THAN ONE KILOGRAM OF COCAINE DAILY, COCAINE STOCKPILING IS RARE.

THERE DOES NOT APPEAR TO BE A HIGHLY CONTROLLED "MAFIA" TYPE ORGANIZATION DEALING IN COCAINE. VIOLATORS ARE MANY AND VARIED. U.S. CUSTOMERS ARE NUMEROUS AND THERE HAS BEEN A SUBSTANTIAL NUMBER OF AMERICANS ARRESTED AT THE JORGE CHAVEZ AIRPORT CARRYING SMALL QUANTITIES. COCAINE HAS ALSO BEEN TRANSPORTED FROM PERU IN HOLLOWED OUT ARTIFACTS, FALSE

BOTTOM SUITCASES, IN SMALL BOATS AND PLANES AND RECENTLY HAS BEEN REPORTED IN THE BODY CAVITIES OF HORSES DESTINED FOR RACING EVENTS IN PANAMA. THE BORDER AREAS OF ECUADOR AND COLOMBIA ARE PARTICULARLY VULNERABLE FOR CLANDESTINE TRANSPORT AND THE RICH GROWING AREAS OF TINGO MARIA, HUANUCO, ANDIQUITOS ARE SEATS OF COCAINE PRODUCTION AND ONWARD SHIPMENT. A SUBSTANTIAL PORTION OF THE COCAINE PASTE PRODUCED IN THE IQUITOS AREA IS SHIPPED TO GUAYAQUIL, ECUADOR, OR DOWN THE AMAZON RIVER TO LETICIA ON THE COLOMBIAN BORDER.

D. ENFORCEMENT: THE RELATIONS ENJOYED BY THE DEA OFFICE WITH THE PIP NARCOTICS DIVISION HAVE BEEN EXCELLENT, THUS FAR. COMMUNICATION IS ON A DAILY BASIS AND DEA SUPPORT IS BOTH OFFERED AND REQUESTED IN THE PURSUIT OF PIP CASES. A WEAKNESS OF THE PIP NARCOTICS DIVISION, HOWEVER, IS THE LACK OF EXPERIENCED NARCOTICS SUPERVISORY PERSONNEL WHICH IS ATTRIBUTED TO ANNUAL TRANSFER PROCEDURES WITHIN THE PIP. IT IS HOPED THAT THE RECENT DEATH OF A YOUNG PIP OFFICER INVOLVED IN A DRUG RAID WILL LEAD TO BETTER PLANNING PROCEDURES IN THE FUTURE. WHILE RELATIONS AND COOPERATION AT THE OFFICIAL LEVEL
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ARE COMMENDABLE, THE LOWER LEVEL AND THE PROVINCIAL ELEMENTS OF THE PIP HAVE OFTEN BEEN INVOLVED IN TAKING PAY-OFFS, LOOKING THE OTHER WAY AND IN OVERT INVOLVEMENT IN DRUG TRAFFICKING. PART OF THE PROBLEM IS THAT UNOFFICIALLY THE PERUVIAN GOVERNMENT STILL REGARDS THE ILLICIT TRAFFICKING IN DRUGS AS AN AMERICAN PROBLEM. PERUVIAN CITIZENS ARE NOT USING COCAINE THEMSELVES TO ANY SUBSTANTIAL DEGREE. THIS FACT COUPLED WITH A CONTRABAND AND SMUGGLING LEGACY GOING BACK TO BUCCANEER DAYS IS IMPEDING MORE SUBSTANTIVE ACTION PROGRAMS. AS LONG AS DRUG TRAFFICKING REMAINS HIGHLY PROFITABLE, AND THERE ARE CORRUPT OFFICERS TO SHIELD THE PARTICIPANTS, DRUG TRAFFICKING WILL CONTINUE AT A HIGH RATE. THE PROBLEM IS NO LESS SERIOUS WITHIN THE COURTS. THE DRUG LAWS ON THE BOOKS ARE ADEQUATE BUT THE IMPOSITION OF JUSTICE IS SADLY LACKING. HERE IT IS A CASE OF THE LAWS BEING ONLY AS EFFECTIVE AS THE JUDGES WHO IMPOSE PENALTIES FOR THE CRIME.

DRUG SEIZURES DURING THE PERIOD APRIL 1 - JUNE 30, 1974

WERE: MARIHUANA - 24,564 GRAMS; COCAINE PASTE - 81,902 GRAMS
AND COCAINE HYDROCHLORIDE 35,177 GRAMS.

D. TREATMENT/REHABILITATION/EDUCATION: A SPECIAL PIP NARCOTICS TEAM IS NOW FOCUSING ITS ATTENTION ON PERUVIAN STUDENTS BY WAY OF LECTURES, FILMS AND BROCHURES ON THE SUBJECT OF DRUG ABUSE EDUCATION. THERE HAVE BEEN EMBASSY CONNECTED ACTIVITIES AND USIS BROCHURE MATERIALS DISSEMINATED. REHABILITATION PROGRAMS SEEM TO HAVE BEEN LARGELY NON-EXISTENT THUS FAR, WITH NARCOTICS USERS TREATED AS FELONS AND JAILED.

E) TRAINING: FOR THE PAST TWO YEARS DEA HAS CONDUCTED TWO TWO-WEEK IN-COUNTRY NARCOTIC TRAINING SCHOOLS IN LIMA WITH A THIRD COURSE PLANNED FOR LQTE 1974. DURING THE TWO-YEAR PERIOD PIP NARCOTIC PERSONNEL HAVE BEEN SENT TO WASHINGTON, D.C., TO ATTEND DEA'S

SIX-WEEK NARCOTIC TRAINING SCHOOL. A DEA CHEMIST ON TDY FROM MIAMI ALSO HAS CONDUCTED A CHEMISTS' SEMINAR IN LIMA AND RECENTLY TWO PIP CHEMISTS WERE SENT TO THE U.S. TO ATTEND CHEMIST TRAINING SCHOOL.

F) REGIONAL AND MULTILATERAL COOPERATION: THIS SECTION WILL BE DISCUSSED IN SUBSEQUENT QUARTERLY REPORTING.

G) EMBASSY AND HOST GOVERNMENT ACTIVITIES: THIS SECTION WILL BE DISCUSSED IN SUBSEQUENT QUARTERLY REPORTING.

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